

WEEKLY ECONOMIC REVIEW

JULY 8, 2005

U.S. payroll employment rose by 146,000 in June. While the increase was below the consensus forecast for job growth of 190,000, upward revisions to previous months' data raised the average monthly U.S. job gain to a solid 180,000 per month in the second quarter of 2005.

The Canadian economy added 14,200 jobs in June. Markets responded positively to the Canadian employment report, as it showed a gain of 52,200 full-time jobs last month (part-time employment fell by 38,000). In addition, Canada's unemployment rate fell to 6.7%, tying a 29-year low.

Alberta continued to enjoy Canada's lowest unemployment rate, at 3.8%. While Alberta's employment declined by 5,400 on a seasonally adjusted basis (the unadjusted data showed a *gain* of 14,000 jobs), Alberta's employment was up by 24,000 from a year ago, including a gain of 49,500 full-time jobs (in comparison to June 2004).

The price of oil touched a new record high of over \$61 (US) in a volatile trading week.

↑	Cdn Dollar (C\$/US\$)	
	July 8, 2005	81.9¢
	June 30, 2005	81.6¢
	2005-06 YTD	80.5¢
↑	WTI Oil \$US/bbl	
	July 7, 2005	\$60.73
	June 30, 2005	\$56.50
	2005-06 YTD	\$53.66
↑	Nymex Natural Gas C\$/mcf*	
	August Contract	
	July 8, 2005	\$9.40
	July 1, 2005	\$8.78
*Estimate based on Nymex Futures Market Price		

Market fears regarding the impact of the July 7 London terrorist attacks on global economic growth were more than offset by energy supply concerns, due to both a larger than expected decline in U.S. oil inventories and concerns regarding the potential effects of Hurricane Dennis on U.S. refining output.

Supported by high energy prices and a well-received Canadian jobs report, the Canadian dollar continued to buck the recent global trend toward the U.S. dollar. The loonie reached a 3-month high against the greenback on Friday, at nearly 82 cents US.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date ¹
Building Permits (\$ millions)	May			
Alberta	779	-14.0%	29.0%	44.2%
Canada	4,954	-2.1%	15.7%	14.2%
Alberta Rigs Drilling	June			
	250	11.2%	-5.2%	6.8%
Employment	June	Gain/Loss from Previous Month (#)	Month/Previous Year's Month (Y/Y)	Y/Y change) (%)
Alberta	1,782,900	-5,400	+24,300	1.4%
Canada	16,167,300	+14,200	+210,400	1.3%
United States	133,537,000	+146,000	+2,058,000	1.6%

Source: Statistics Canada, Canada Mortgage and Housing Corporation

¹Year-to-date 2005 compared to the same time period in 2004. For example: January-May 2005 versus January-May 2004

Alberta Finance